

# FundSERV Overview

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# Agenda

1. Business Report Update
2. FundSERV Standards Update
  1. Fund Set Up (FD) File
3. Industry Initiatives
  1. Fund Fact Repository – POS solution
  2. GICSERV
  3. InsureSERV
  4. Offshore Funds
  5. Client Name Automation
4. FundSERV Initiative
  1. Data Centre Rebuild



# Business Report Update



For the 5 months of 2011:

- 2011 transaction volumes up 5% YOY
- Transactions up 3.6% from peak year of 2008
- 2011 revenue run rate up 3% YOY
- 2011 expenses run rate down 1% YOY
- 2011 rebate run rate up 12% YOY
- Head count steady at 82 + 7

# FundSERV Standards



- Version 21 - Implementation date - **June 13, 2011**
  - Enhancements and additions to Transfer functionality (ATON Marriage Breakdown)
  - Improvements to NFU (e.g. TFSA info)
- Off-cycle changes to accommodate FATCA
- Version 22 and beyond
  - V22 conversion of month end and price files to XML format – June 2013
  - Commission and service fee files – June 2014
  - Transaction reconciliation and settlement files – June 2015

# FD File Enhancement



- FundSERV is ready to act on FAS Mutual Fund committee recommendations to enhance the FD file subject to SSC approval

# Fund Facts Repository



- Responding to customer demand for an industry solution
- Centralized, industry-wide solution
  - Web-based, one stop shop for Fund Facts documents
  - Mutual funds and segregated funds
- No additional cost
  - Repository included in existing FS fees
- Will evolve with customer needs
  - Interface to FundCo web sites; not SEDAR
  - Can accommodate POS audit trail if needed
  - Other

# GICSERV



- Responding to industry demand
- Business case approved Jan 2010
- GSSC and working groups established
- Phase 1 standards published October 22, 2010
- Development complete & testing began April 7, 2011
- Phase 2 standards published for comments April 18, 2011 with completion planned for Q1 2012
- [www.gicserv.com](http://www.gicserv.com) launched April 25, 2011
- Project somewhat delayed by CDIC projects at Banks
- FS discussing key vendor development

# InsureSERV



- Responding to industry demand
- FS worked with CLIEDIS & eData Steering Committee
- FS made proposal in December 2010 based on existing FS hub-&-spoke network solution
- eData has undertaken a further review to be completed early in 2012
- FS on hold prepared to proceed once commitment is secured

# Offshore Funds



- Customized service offering to meet the needs of select group of FS customers
- Allows offshore fund manufacturer (10) access to Canadian broker/dealer distribution to offshore clients
- Allows Canadian broker/dealer access to offshore fund manufacturers
- Canadian broker/dealer responsible for compliance (e.g. Client is domiciled offshore and is eligible for funds)
- Via NSCC Mutual Fund Services
- FS is a member of the DTCC as a Third Party Provider (TPP)
- Multi-currency - US\$ Euros and Sterling

# Client Name Automation



- Not really an IROC dealer issue, mostly MFDA
- Conversion to automated CN transactions slow
- Due to training issues and delayed automation at FundCos and dealers
- Also due to slower than expected expansion of pilot group
- Participants report quite positive results

# Data Centre Rebuild



- FS rebuilding data centre at current location
- Signed 10-year lease extension in Exchange Tower
- Engineering work finished; permit filed
- Construction planned for June
- Estimated cost \$3 million
- Completion planned for year-end
- Network & apps to run from 2<sup>nd</sup> site throughout construction; always a live back up facility
- Will participate in IIROC BCP test

# Questions

